

REFERENCE TITLE: prearranged funeral agreements

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HB 2649

Introduced by
Representative McComish

AN ACT

AMENDING SECTION 32-1391.05, ARIZONA REVISED STATUTES; RELATING TO
PREARRANGED FUNERAL AGREEMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-1391.05, Arizona Revised Statutes, is amended to
3 read:

4 32-1391.05. Prearranged funeral agreements funded by trusts

5 A. All monies paid under a prearranged funeral agreement funded by
6 trust shall be deposited, ~~within five business days after the receipt of the~~
7 ~~monies,~~ in a prearranged funeral trust account with a financial institution
8 doing business in this state. ~~The monies shall be invested either in~~
9 ~~federally insured accounts, in which case the amounts so deposited shall not~~
10 ~~exceed the amount of the deposit insurance, or in direct obligations of the~~
11 ~~United States government. Federally insured accounts are defined as accounts~~
12 ~~insured by the federal deposit insurance corporation or the national credit~~
13 ~~union administration board. If invested in direct obligations of the United~~
14 ~~States government, the maturity dates of such obligations shall not exceed~~
15 ~~three years, unless rules adopted by the superintendent of financial~~
16 ~~institutions permit a longer period and not less than five per cent of the~~
17 ~~amounts so deposited shall at all times be deposited in federally insured~~
18 ~~accounts.~~ IN INVESTING THESE MONIES THE TRUSTEE SHALL EXERCISE THE JUDGMENT
19 AND CARE OF A PRUDENT INVESTOR UNDER THE PREVAILING CIRCUMSTANCES, NOT
20 RELATING TO SPECULATION BUT RELATING TO THE PERMANENT DISPOSITION OF MONIES,
21 CONSIDERING THE PROBABLE INCOME AND THE PROBABLE SAFETY OF CAPITAL. WITHIN
22 THE LIMITATIONS OF THIS SUBSECTION AND SUBJECT TO ANY EXPRESS PROVISIONS OR
23 LIMITATIONS CONTAINED IN ANY PARTICULAR TRUST INSTRUMENT, A TRUSTEE IS
24 AUTHORIZED TO ACQUIRE EVERY KIND OF PROPERTY, INCLUDING REAL, PERSONAL OR
25 MIXED AND EVERY KIND OF INVESTMENT, INCLUDING CORPORATE OBLIGATIONS OF EVERY
26 KIND AND STOCKS, EITHER PREFERRED OR COMMON, THAT PRUDENT INVESTORS ACQUIRE
27 FOR THEIR OWN ACCOUNTS.

28 B. Except as provided in this article:

29 1. All monies deposited in a prearranged funeral trust account and all
30 accrued interest shall be held in the trust account for and remain the
31 property of the beneficiary during the beneficiary's life and of the
32 beneficiary's estate after the beneficiary's death.

33 2. A funeral establishment or another person shall not withdraw,
34 transfer, remove, commingle, encumber or use as collateral any monies paid to
35 the establishment under a prearranged funeral agreement funded by trust.

36 3. All monies deposited and accrued interest in a prearranged funeral
37 trust account shall be exempt from attachment, garnishment, execution and
38 claims of creditors, receivers and trustees of the funeral establishment
39 other than the claims of the beneficiary or the beneficiary's estate.

1 4. All monies deposited and accrued interest in a prearranged funeral
2 trust account up to a total of five thousand dollars shall be exempt from
3 attachment, garnishment, execution and claims of creditors, receivers and
4 trustees of the beneficiary other than the claims of the funeral
5 establishment.

6 C. A funeral establishment may direct the financial institution in
7 which the trust monies are deposited to transfer the trust account to another
8 financial institution after providing each participant in the trust with the
9 name and location of the institution and the new trust account number.